

## Cos rush to meet creche deadline

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**Mumbai:** With the July 1 deadline to provide creche facilities under the amended maternity benefit law nearing, a survey by ProEves indicates a large majority (81%) of companies are considering day care tie-ups, while another 10% are investing in an on-site set up. Certain small- and medium-sized organisations had conveyed concerns around incurring high costs on account of the new law, but progressive companies believe the greater outcome of retention of women employees in the workforce far outweighs the cost factor.

According to ProEves — which provides childcare, maternity and parental support solutions to companies to help young mothers return to work — the average total cost

### FINANCIAL COSTS OF EMPLOYEE LOSS

High cost of post-maternity employee loss (in ₹ lakh)	Management Levels:	Junior	Middle	Senior
	Salary		12	40
6 Months Paid Leave (+ 2 Months Accumulated Leave)		8	26.7	53.3
Paid Liability (Leave & Benefits)		8.7	27.4	54.1
Rehiring Budget (12%)		1.4	4.8	9.6
<b>Cost of Post-Maternity Employee Loss</b>		<b>10.2</b>	<b>32.2</b>	<b>63.7</b>

► Companies should look at spending at least 1% of the cost of post-maternity employee loss in the maternity connect programmes to safeguard investments made in maternity benefits

Source: ProEves (illustrative numbers)

of post-maternity employee is estimated to be in the range of Rs 10-60 lakh per maternity case. ProEves said such costs can be safeguarded by investing 1% of cost of post-maternity employee loss, that is, paid liability (leave and benefits) + rehiring budget (12% over and above salary) in case the

employee quits her job. The survey states if companies invest 1% of this average cost, which is Rs 30,000 per maternity employee, it would ensure retention of an experienced and talented resource.

Divya Agarwal, co-founder; ProEves, said, “Companies are incurring a high maternity lea-

ve cost with the amended maternity benefit law. We have taken the median salary at junior/ mid/senior levels of management for India Inc. About eight months of leave is granted (six months according to the Act, plus employees consume about 60 days of accumulated leave during this period) and an additional Rs 75,000 (average maternity medical reimbursement) is taken to arrive at paid liability per maternity employee at each level of management. If this employee does not return back/quits after return, the employer will spend an additional 12% as hiring cost. The total cost of post-maternity employee loss could be Rs 10-60 lakh per maternity case across management. The average being Rs 30 lakh per employee.”

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# Employers liable for providing day care benefits

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A garwal said few of the progressive companies are investing Rs 10,000-15,000 per maternity employee.

B P Biddappa, executive director (HR), Hindustan Unilever, said, "HUL has been progressive in this respect and we have been privileged to have similar policies since over a decade. We have always looked at it as the right thing to do and the impact this could have on women's life, career and future generations far outweighs the costs. It helps in retaining talent and providing a supportive environment and culture for enhanced long-term careers."

Emrana Sheikh, VP (HR), Asian Paints, which currently has two in-house creche facilities to support working parents, said, "Our existing policies of 26 weeks maternity break, extended maternity break and child care leave covers more than the stated requirements under the ma-

## The law requires cos to provide day care tie-up in all locations having more than 50 employees

ternity act amendment. Creche facility provided in our organisation is gender-neutral." Sheikh said the company plans to review needs and establish relevant tie-up arrangements for other locations as well.

According to the maternity benefit amendment act, employers have the primary liability of providing day care benefits. The survey by ProEves — which covered 70 companies across sectors like FMCG, IT, manufacturing, ITeS, e-commerce, retail and financial services — said 51% companies are conducting day care audits before finalising the tie-up. All companies are providing day care benefit at the head office and factories, while 60% are providing it at the branch level. The law requires companies to provide day care tie-up in all locations (shops, factories, offices, mines or branches) having more than 50 employees.